

REMARKS

Claims 1, 16, 22, 26, 30-32, 43, and 47 are amended. Claims 1-32 and 43-52 are pending.

The amendments to claim 1 are supported by the application as originally filed, in particular, page 13, lines 3-5; and page 17, lines 13-23.

In the office action, claims 1-32 and 43-52 were rejected under 35 U.S.C. § 102(b) in view of USP 6,275,824 B1 to O'Flaherty et al.

Independent claims 1, 16, 22, 26, 30-32, 43, and 47 have been amended.

In particular, claim 1 is amended to recite a system for conducting a transaction with privacy on a wide area network defined by the following limitations:

- a plurality of personal access devices (PADs), each contained in a manually portable housing and associated with a subscriber to the system, each of the manually portable PADs storing a profile including information related to the subscriber and generating interactive commands transmitted wirelessly;

- a privacy service provider (PSP) connected to the wide area network, each of the manually portable PADs being directly accessible by the PSP based on first predetermined subscriber information that sets a first condition for automatic authorization or for manual authorization represented in the subscriber's profile for controlling the processing of requests for authorizing the transaction, and the PSP being responsive in real-time to the interactive and wirelessly transmitted commands from the manually portable PADs;

- a registered vendor (RV) connected to the wide area network; and

- a privacy shield network (PSN) connected to the wide area network, the RV being registered with the PSN and the PSN being structured to carry communications between

the PSP and the RV related to the transaction based on second predetermined subscriber information that sets a second condition represented in the profile for controlling the authorization of the transaction.

The claimed invention is patentable over O'Flaherty, since O'Flaherty fails to disclose or suggest the following:

a plurality of manually portable PADs and a privacy shield network (PSN), as in claim 1, with each PAD storing a subscriber's profile that includes information related to the subscriber and generating interactive commands that are transmitted wirelessly;

a privacy service provider (PSP) connected to the wide area network, with the manually portable PADs being directly accessible by the PSP based on first predetermined subscriber information that sets a first condition for automatic authorization or for manual authorization represented in the profile for controlling the processing of requests for authorizing the transaction, and the PSP being responsive in real-time to the interactive and wirelessly transmitted commands from the manually portable PADs; and

a privacy shield network (PSN) carries communications between the PSP and the RV related to the transaction based on second predetermined subscriber information that sets a second condition represented in the profile for controlling the authorization of the transaction.

One having ordinary skill in the art would not look to O'Flaherty for the invention of the amended claims. The present invention also differs in a number of other important and

patentably distinct aspects from the system of O'Flaherty. The Examiner's attention is respectfully directed to Table 1 for its comparison of several of the aspects of the claimed invention with those disclosed by O'Flaherty.

TABLE 1

FEATURE	PRESENT INVENTION	O'FLAHERTY PATENT
Consistent user intervention (user intervention at transaction time)	Page 17, lines 13-18	No intervention at time of transaction. Dataviews are provided to entities in advance, column 14, lines 1-3
User responds to transaction in real-time	Page 17, lines 13-18	Not in real-time. Dataviews are provided to entities in advance, column 14, lines 1-3
Real-time interactivity	Page 17, lines 13-18	Not in real-time. Dataviews provided to entities in advance, column 14, lines 1-3
Subscriber's Personal Data Records SPDR stored on PAD	Page 12, line 25 to page 13, line 5	Personal data stored on smartcard or loyalty card, column 5, lines 4-6, which are not identical to PADs
Subscriber's Personal Profile SPP stored on PAD	Page 7, lines 12-14	Personal data stored on smartcard or loyalty card, column 5, lines 4-6, which are not identical to PADs
PAD is a wireless device	Page 14, lines 20-23	Smartcard or loyalty card is not wireless, but generated and encoded by kiosk, column 5, lines 4-6
PAD has a friendly user interface	Page 31, line 19 to page 20, line 21	Smartcard or loyalty card has no user interface, column 5, lines 4-6
Requests and responses are processed	Page 17, lines 13-18	No actual requests and responses processed. Dataviews provided to entities indirectly from a database, column 14, lines 3-7
Multiple trusted parties	Page 14, lines 5-19	No trusted parties; rather communications are between a data warehouse and clients, column 5, lines 29-31

TABLE 1 (continued)

Direct communication with all parties to a transaction	Page 15, lines 20-24	Data warehouse and anonymous transactions block direct communications between parties, column 5, lines 29-43
User profile SPP and Data Record SPDR can be accessed from other systems	Page 12, line 24 to page 13, line 5	Personal data stored on smartcard or loyalty card only accessible with smartcard or loyalty card reader or kiosk, column 5, lines 4-6
Registered Vendors (RV) can initiate/start a transaction directly with PAD	Page 8, lines 8-11	Data warehouse and anonymous transactions block direct transactions between parties, column 5, lines 29-43
Transactions are broken up and transmitted directly from subscriber's PAD to multiple RV's	Page 22, line 11 to page 23, line 13	Data warehouse and anonymous transactions block direct communications between parties, column 5, lines 29-43
Not dependent on a database or data warehouse	Page 12, line 24 to page 13, line 5	Data warehouse utilized, column 5, lines 29-31
Dynamic transaction processing	Page 17, lines 13-18	Static transactions from a static database

The invention of the amended claims is directed to implementing a simple non-automatic retail transaction, for example, involving a plurality of PADs stranger to an RV.

First, the subscriber arrives (1) at the RV (e.g., a physical retail store location), the subscriber picks an RV and a name or HANDLE for a current proposed transaction. Then (2) the subscriber shops, and (3) at a checkout terminal the subscriber picks his HANDLE. Then (4) the PAD queries for input indicating a validation from "PAD to RV" for a potential transaction, and (5) the RV presents to the PAD a purchase transaction with a value, for example \$105, including choice of payment options (Direct Pay, Credit Card, Checking, or other RV to RV to/from Subscriber).

Then (6) the subscriber agrees to transaction, complete the purchase, chooses a payment method, and the choice of payment is processed (7).

The following are representative of various scenarios based upon different modes of payment that may be selected by the subscriber using his PAD.

A. If by Direct Pay:

- a. Subscriber and retailer RV are both members of the same financial institution RV that provides value to the subscriber's PAD via electronic currency;
- b. PAD (subscriber) agrees to transfer eCurrency (\$105) to settle the transaction completed by means of the subscriber's PAD;
- c. PAD transmits back to RV eCurrency to retailer RV;
- d. PAD receives eReceipt from retail RV, TRANSACTION CLOSED; and
- e. Financial institution RV settles eCurrency between PAD and retailer RV accounts (end of day reconciliation and/or real-time).

B. If by Credit Card:

- a. Subscriber and retailer RV are both members of the same credit card financial institution RV that provides accounts for merchants and consumers;
- b. PAD (subscriber) transmits transaction data to credit card RV to settle transaction completed by means of PAD;
- c. Retailer RV receives transmission from credit card RV confirmation of value (\$105) transferred into retail RV's account;
- d. PAD receives transmission from credit card RV charge confirmation of value (\$105) charged to subscribers account;

- e. Retailer RV releases goods sold to subscriber; and
- f. PAD receives eReceipt from retailer RV. TRANSACTION CLOSED.

C. If by Checking:

- a. Subscriber (PAD), retailer (RV)'s financial institution are members of the same transaction manager RV (e.g., Federal Reserve Bank);
- b. PAD (subscriber) agrees to transfer value (\$105) from personal checking account to settle transaction completed by means of PAD through "transaction manager RV";
- c. Retailer RV receives transmission from commercial bank RV confirmation of value (\$105) transferred into retailer RV's checking account through "transaction manager RV";
- d. PAD receives transmission from personal bank RV charge confirmation of value (\$105) charged to subscribers personal checking account;
- e. Retailer RV releases goods sold to subscriber; and
- f. PAD receives eReceipt from retailer RV. TRANSACTION CLOSED

D. If RV to RV:

- a. Any RV that provides value, either positive or negative, that is managed in an account on a database and is a member of the PSN can participate through the same scenario indicated above.

Then (8), Subscriber PAD presents choice to accept CLOSED Transaction or continue (add value to transaction):

- a. If subscriber accepts CLOSED:

- i. settlement confirmation occurs, no rollback possible;
 - ii. subscriber takes released goods; and
 - iii. leaves retail establishment;
- b. If subscriber chooses continue:
 - i. subscriber indicates choice from available possibilities;
 - ii. subscriber chooses to ship as a gift to Miami, Florida via shipping RV, (e.g., UPS);
 - iii. PAD transmits shipping data to UPS RV:
 - 1. "To" info
 - 2. "From" info
 - 3. PU info
 - 4. weight
 - 5. insurance, etc.;
 - iv. PAD receives transaction and charge request directly from shipping RV;
 - v. Subscriber chooses payment method (as above);
 - vi. Subscriber agrees to transaction;
 - vii. UPS RV returns confirmation and package ID, etc.;
 - viii. Additional transaction CLOSED; and
 - ix. eReceipt received by PAD.

And finally (9), TRANSACTION CLOSED.

In accordance with the invention, a subscriber can participate in any kind of transaction, monetary or non-monetary, between individuals and commercial institutions, without divulging

identifiable personal information. The bottom line is that the trust between entities on the privacy shield network (PSN) enables a subscriber to carry out all of the usual dealings of their personal and/or commercial daily lives, without worrying about the identity theft, Phishing, spamming and database data theft that is going on today in the electronic world.

Accordingly, users of the invention can return to the way business was conducted prior to the Internet/electronic revolution, without removing the internet from their lives. In this context, Subscriber is any individual or business entity using a PAD, and the RV is a Vendor providing a service for monetary or non-monetary value.

Therefore, claim 1, as amended, is patentable over O'Flaherty.

For the reasons set forth above for amended claim 1, independent claims 16, 22, 26, 30-32, 43, and 47 are also patentable over O'Flaherty.

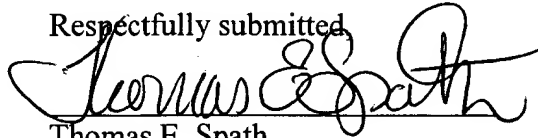
Claims 2-15, 17-21, 23-25, 27-29, 44-46, and 48-52 depend from independent claims 1, 16, 22, 26, 30-32, 43, and 47, respectively, and so each of claims 2-15, 17-21, 23-25, 27-29, 44-46, and 48-52 includes the recitation of independent claims 1, 16, 22, 26, 30-32, 43, and 47, respectively. Since independent claims 1, 16, 22, 26, 30-32, 43, and 47 are patentable over O'Flaherty, claims 2-15, 17-21, 23-25, 27-29, 44-46, and 48-52 are also patentable over O'Flaherty.

Therefore, all pending claims 1-32 and 43-52 are allowable over O'Flaherty. Reconsideration and withdrawal of the rejection of claims 1-32 and 43-52 are respectfully requested.

Accordingly, entry and approval of the present amendment and allowance of all pending claims are respectfully requested.

In case of any deficiencies in fees occasioned by submission of the present amendment,
the Commissioner is hereby authorized to charge such deficiencies in fees to Deposit Account
Number 01-0035.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Thomas E. Spath", written over a horizontal line.

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